



General Assembly

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Amendment

LCO No. **6548**

SB0073306548HD0

Offered by:

REP. NARDELLO, 89th Dist.

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REP. MEGNA, 97th Dist.

To: Subst. Senate Bill No. **733**

File No. 428

Cal. No. 529

(As Amended)

***"AN ACT CONCERNING REVISIONS TO THE ELECTRIC
RESTRUCTURING LEGISLATION."***

1 Strike subdivision (1) of subsection (b) and insert the following in
2 lieu thereof:

3 "(1) On and after January 1, 2004, each electric distribution company
4 shall make available to all customers in its service area, the provision
5 of electric generation and distribution services through a transitional
6 standard offer. Under the transitional standard offer, a customer shall
7 receive electric services at a rate established by the Department of
8 Public Utility Control pursuant to subdivision (2) of this subsection.
9 Each electric distribution company shall provide electric generation
10 services in accordance with such option to any customer who
11 affirmatively chooses to receive electric generation services pursuant to
12 the transitional standard offer or does not or is unable to arrange for or

13 maintain electric generation services with an electric supplier. The
14 transitional standard offer shall terminate on December 31, 2006. While
15 providing electric generation services under the transitional standard
16 offer, an electric distribution company may provide electric generation
17 services through any of its generation entities or affiliates, provided
18 such entities or affiliates are licensed pursuant to section 16-245, as
19 amended by this act and provided further the electric distribution
20 company can demonstrate to the department that a transaction with its
21 generation entity or affiliate for the provision of such services would
22 provide the best net benefit for ratepayers and is in the public interest."

23 Strike subdivision (3) of subsection (c) of section 4 and insert the
24 following in lieu thereof:

25 "(3) An electric distribution company providing electric generation
26 services pursuant to this subsection shall mitigate the variation of the
27 price of the service offered to its customers by procuring electric
28 generation services contracts in the manner prescribed in a plan
29 approved by the department. Such plan shall require the procurement
30 of a portfolio of service contracts sufficient to meet the projected load
31 of the electric distribution company. Such plan shall require that the
32 portfolio of service contracts be procured in an overlapping pattern of
33 fixed periods at such times and in such manner and duration as the
34 department determines to be most likely to produce just, reasonable
35 and reasonably stable retail rates while reflecting underlying
36 wholesale market prices over time. The portfolio of contracts shall be
37 assembled in such manner as to invite competition; guard against
38 favoritism, improvidence, extravagance, fraud and corruption; and
39 secure a reliable electricity supply while avoiding unusual, anomalous
40 or excessive pricing. The portfolio of contracts procured under such
41 plan shall be for terms of not less than six months, provided contracts
42 for shorter periods may be procured under such conditions as the
43 department shall prescribe to (A) ensure the lowest rates possible for
44 end-use customers; (B) ensure reliable service under extraordinary
45 circumstances; and (C) ensure the prudent management of the contract
46 portfolio. An electric distribution company may receive a bid for an

47 electric generation services contract from any of its generation entities
48 or affiliates, provided such generation entity or affiliate submits its bid
49 the business day preceding the first day on which an unaffiliated
50 electric supplier may submit its bid, and further provide the electric
51 distribution company and the generation entity or affiliate are in
52 compliance with the code of conduct established in section 16-244h. An
53 electric distribution company may accept a bid from its generation
54 entity or affiliate where the electric distribution company can
55 demonstrate to the department that such bid would provide the best
56 net benefit for ratepayers and is in the public interest."

57 Strike subdivision (2) of subsection (d) of section 4 and insert the
58 following in lieu thereof:

59 "(2) (A) The department shall develop such alternative option or
60 options in a contested case conducted in accordance with the
61 provisions of chapter 54. The department shall determine the terms
62 and conditions of such alternative option or options, including, but not
63 limited to, (i) the minimum contract terms, including pricing, length
64 and termination of the contract, and (ii) the minimum percentage of
65 electricity derived from Class I or Class II renewable energy sources, if
66 applicable. The electric distribution company shall, under the
67 supervision of the department, subsequently conduct a bidding
68 process in order to solicit electric suppliers to provide such alternative
69 option or options.

70 (B) The department may reject some or all of the bids received
71 pursuant to the bidding process. The department may allow an electric
72 distribution company to accept a bid from its generation entity or
73 affiliate where the electric distribution company can demonstrate to
74 the department that such bid would provide the best net benefit for
75 ratepayers and is in the public interest."

76 Strike subsections (e) and (f) of section 4 and insert the following in
77 lieu thereof:

78 "(e) (1) On and after January 1, 2007, an electric distribution

79 company shall serve customers that are not eligible to receive standard
80 service pursuant to subsection (c) of this section as the supplier of last
81 resort. This subsection shall not apply to customers purchasing power
82 under contracts entered into pursuant to section 16-19hh. Any
83 customer previously receiving electric generation services from an
84 electric supplier shall not be eligible to receive supplier of last resort
85 service pursuant to this subsection unless such customer agrees to
86 receive supplier of last resort service for a period of not less than one
87 year.

88 (2) An electric distribution company shall procure electricity to
89 provide electric generation services to customers pursuant to this
90 subsection. The Department of Public Utility Control shall determine a
91 price for such customers that reflects the full cost of providing the
92 electricity on a monthly basis. Each electric distribution company shall
93 recover the actual net costs of procuring and providing electric
94 generation services pursuant to this subsection, provided such
95 company mitigates the costs it incurs for the procurement of electric
96 generation services for customers that are no longer receiving service
97 pursuant to this subsection. An electric distribution company
98 providing electric generation services pursuant to this subsection may
99 provide such services through any of its generation entities or
100 affiliates, provided the electric distribution company can demonstrate
101 to the department that such provision would provide the best net
102 benefit for ratepayers and is in the public interest.

103 [(c)] (f) On and after January 1, 2000, and until such time the
104 regional independent system operator implements procedures for the
105 provision of back-up power to the satisfaction of the Department of
106 Public Utility Control, each electric distribution company shall provide
107 electric generation services to any customer who has entered into a
108 service contract with an electric supplier that fails to provide electric
109 generation services for reasons other than the customer's failure to pay
110 for such services. Between January 1, 2000, and December 31, [2003]
111 2006, an electric distribution company may procure electric generation
112 services through a competitive bidding process or through any of its

113 generation entities or affiliates. On and after January 1, [2004] 2007,
114 such company shall procure electric generation services through a
115 competitive bidding process pursuant to a plan submitted by the
116 electric distribution company and approved by the department. Such
117 company may procure electric generation services through any of its
118 generation entities or affiliates, provided such entity or affiliate is the
119 lowest qualified bidder, [and provided further] any such entity or
120 affiliate is licensed pursuant to section 16-245, as amended by this act,
121 and the electric distribution company can demonstrate to the
122 department that a transaction with its generation entity or affiliate for
123 the provision of such services would provide the best net benefit for
124 ratepayers and is in the public interest."